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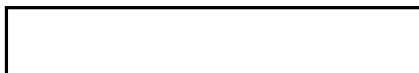
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STAFF NOTES:

Soviet Union Eastern Europe

State Department review completed



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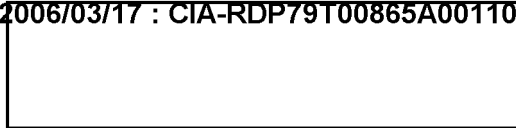
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SOVIET UNION - EASTERN EUROPE

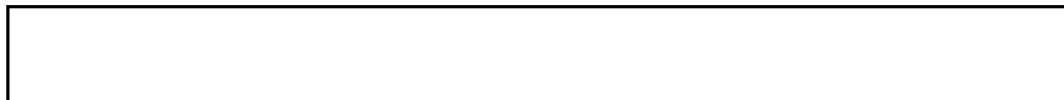


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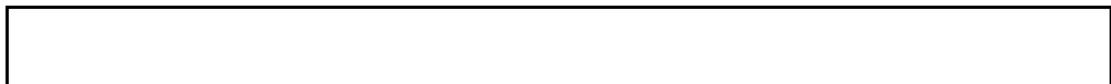
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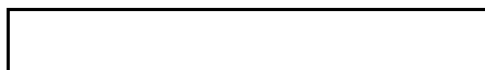
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Soviet Officials Argue
Over Trade with the West

Two members of the USA Division of the Ministry of Foreign Affairs (MFA) have given fresh evidence that the Soviet bureaucracy is carrying on a debate over how extensively to develop trade with the West, and particularly with the US. The evidence is not consistent, however, as to which elements of the bureaucracy are on which side of the question.

In talking with a US embassy officer recently, the two MFA officials sought to convey the idea that their ministry favored expansion of trade even in the absence of most-favored-nation treatment and Exim-bank credits. They said the Ministry of Foreign Trade and several industrial ministries held similar views. On the other side of the issue, they said, are Gosplan and banking officials, who generally prefer a slowdown in the growth in trade. They cited Gosplan deputy chairman Inozemtsev's recent article [redacted] as a reflection of the planners' belief that satisfactory economic growth can be maintained without Western technology.

This line-up is at variance with some other reports from Soviet officials. A member of Gosplan has said that his organization is especially interested in trade with the US [redacted] Officials of the State Committee for Science and Technology have pointed to the Ministry of Foreign Trade as a stumbling block to expanding trade [redacted]. Even Inozemtsev's article could be interpreted as a defensive reply to domestic critics of Western participation in the Soviet economy.

Probably most organizations are divided internally on the issue and cannot be simply tagged. The MFA officials, however, do confirm the existence of the debate and the role played by articles such as Inozemtsev's in attempting to influence both domestic and foreign audiences.

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Soviets in Mozambique

A Soviet merchant marine delegation was in Mozambique the last week in May, adding fuel to rumors of closer cooperation between the USSR and Mozambique after the latter attains independence on June 25.

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The Soviets, who over the years have sent arms to the Mozambique Liberation Front (FRELIMO) via Tanzania and Zambia, may now try to establish a more formal military aid relationship.

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[REDACTED]

East German Plenum Sets Congress Date

At a Central Committee plenum last Thursday, the East German leadership announced that the 9th party congress will be held in East Berlin from May 18 to 22 next year. Party chief Honecker said the congress will adopt a revised party program, which is being written by a commission under his direction, and will amend the party statutes.

Honecker is already making personnel changes in an effort to put his personal stamp on the congress. For instance, the plenum announced that Harry Tisch a young and capable supporter of Honecker was being promoted from candidate to full membership on the Politburo to replace the deceased Herbert Warnke. Tisch's elevation had been expected since April, when he was named to succeed Warnke as head of the trade unions.

[REDACTED]

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Soviet Visitor Highlights During May

About 100 Soviet commercial visitors traveled to the US during May; about the same number as during each of the last six months. Key business negotiations in May involved the following participants:

- The Ministry of Chemical and Petroleum Machine Building and Dresser Industries. (Deputy Minister Rutskoy and several oil drilling machinery specialists, including a sector head from the Party Central Committee, were briefed on the company's rock bit plant.)
- The Ministry of Machine Building for Livestock Raising and Fodder Production, and Ceres International. (Deputy Minister Tkachev and other agricultural machinery specialists examined Ceres' fodder harvesting equipment.)
- Eksportkhleb, a grain importing association, and Continental Grain. (Chairman Pershin and an official of the ship chartering agency discussed grain shipments to the USSR.)
- The Ministry of the Automotive Industry and Swindell Dressler. (Deputy Minister Vasilyev, who also serves as director of the Kama Motor Vehicle Plant, made one of his frequent visits to discuss the progress of equipment purchases for the Kama Plant.)

In matters unrelated to trade, a US-USSR seminar on planning attracted a large number of

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prominent Soviet economists and management specialists. Among them were: Viktor Afanasyev, chief editor of the party's ideological journal *Kommunist* (who listed himself as a researcher at the USSR Academy of Sciences); liberal economist Abel Aganbegyan, a liberal economist who is one of the younger active members of the Academy of Sciences and the director of the Siberian Department's Institute of Economics and Organization of Industrial Production; Bentsion Milner, head of the USA and Canada Institute's Department of US Management; Rem Belousov, a specialist in the structure of wholesale prices; Petr Katsura, a production association planner; and Mikhail Solodkov, the dean of Moscow State University's Economics Faculty.

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